

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 779 - SB 773

April 27, 2021

**SUMMARY OF ORIGINAL BILL:** Requires the Department of Labor and Workforce Development, on or before January 1, 2022, to submit a report to the Commerce Committee of the House of Representatives and the Senate Commerce and Labor Committee describing the employment conditions in this state resulting from COVID-19, and the impact on such conditions as the result of the state's response to COVID-19.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (005868):** Deletes all language after the enacting clause. Authorizes the Commissioner of the Department of Labor and Workforce Development (DLWD) to suspend the one-week waiting period to the extent necessary to allow the Commissioner to effectively administer the state unemployment insurance program in response to the COVID-19 pandemic and to comply with, and maximize benefits, including, but not limited to, the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act, 15 U.S.C. § 9001 et seq.), and any extension or modification thereof. Additionally, authorizes the Commissioner to, in whole or in part, make a non-charge to an account of a contributory employer that is in the claimant's base period for any unemployment benefits paid to a claimant to the extent necessary to allow the Commissioner to effectively administer the state unemployment insurance program in response to the COVID-19 pandemic and comply with, and maximize benefits, including, but not limited to, the CARES Act. This act will be repealed on July 1, 2021.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Revenue – Exceeds \$9,000,000/FY21-22/**

**Unemployment Insurance Trust Fund**

**Increase Federal Expenditures – Exceeds \$10,000,000/FY21-22**

Assumptions for the bill as amended:

- Based on information from the DLWD, this legislation will allow collection of federal funds exceeding \$10,000,000, pursuant to the CARES Act.

- Authorizing the Commissioner of the DLWD to make a non-charge to hold employers harmless for payment of unemployment insurance premiums will result in a decrease in state revenue to the Fund reasonably estimated to exceed \$1,000,000.
- It is estimated that this legislation will result in an increase in state revenue to the Fund exceeding \$10,000,000 in FY21-22.
- The net impact on the Fund is estimated to be an increase in state revenue to the Fund exceeding \$9,000,000 in FY21-22.

## **IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

### **Decrease Business Expenditures – Exceeds \$1,000,000/FY21-22**

Assumption for the bill as amended:

- This legislation will result in a decrease in business expenditures resulting from a non-charge to employers for unemployment insurance premiums.
- The precise impact on business expenditures is unknown but is estimated to exceed \$1,000,000 in FY21-22.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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